GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:267
ANSWERED ON:23.07.2004
EXPORT OF SERVICES
Mahato Shri Bir Sing

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the services export was about one fifth of external trade in the previous year;

(b) whether export of services is now nearabout 32% of our total exports and only six countries in the world have the service export higher than us;

(c) the steps being taken by Government to gear up the exports of more services than goods;

(d) which of the Indian services are being identified for bringing them up to the world standards; and

(e) the details of the facilities provided to service exporters?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) Export of services was about 15% of our external trade i.e. exports as well as imports, in 2003-04.

(b) The share of the services sector in exports was about 31% in 2003-04. As per a WTO Report, India was ranked 20th in the year 2003 among leading world exporters of services.

(c) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (c) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 267 FOR ANSWER ON 23RD JULY, 2004 REGARDING EXPORT OF SERVICES.

(c) to(e) The Government treats both the goods and services sectors at par as far as its export promotion strategy/policy is concerned. Under para 3.8 of the Export-Import Policy, 2002-07, all provisions of the Policy shall apply mutatis-mutandis to such export of services as they apply to goods. Some of the steps taken by the Government recently to boost export of services include providing Duty Free Credit Entitlement facility to service exporters, allowing import of Capital Goods at concessional rate of import duty, conferring Export House/Trading House/Star Trading House/Super Star Trading House Status on service exporters on the basis of their total foreign exchange earnings in the preceding 1/2/3 licencing years which confers on them various facilities as incentives for exports as per para 3.7.2.1 of the Exim Policy (2002-2007). Financial assistance is also provided to service exporters under Market Access Initiative (MAI) and Market Development Assistance (MDA) Schemes of the Department for export promotional/developmental activities.

Though all out efforts are being made to develop and boost the export of all tradable services, Government have, in consultation with FICCI, CII and FIEO, identified the following 13 services where India has competitive edge for special thrust to bring them upto the world standards:

1. Accounting and Book Keeping
2. Project Exports
3. Medical Services
4. Communication including Telecom Services
5. Educational Services
6. Audio-Visual/Entertainment Services
7. Financial Services including Banking, Insurance and Securities
8. Tourism and Travel Related Services
9. R & D Services
10. Environment Services
11. Transport Services
12. Consultancy and Management Services
13. Computer Related Services

Government of India have recently approved in principle holding of International Congress on Trade in Services scheduled for 2005 to be organised by FIEO to provide a platform to Indian service exporters to meet the international service seekers which will boost the export of services.. To improve the presence of Indian software and services companies from the Small and Medium Enterprises (SME) sector in the USA and thereby enable the Indian IT SMEs to put in intensified export promotion thrust there so as to increase India`s software and services export to the US market in a big way, the Government has approved in principle Electronics and Computer Software Export Promotion Council (ESC)`s proposal for setting up an Export Facilitation and Business Support Centre in New Jersy, USA under the MAI Scheme.